Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.



Ag84Pro

PA - 385

The JAN 1 3 1959 Federal and State

AGRICULTURAL OUTLOOK Service

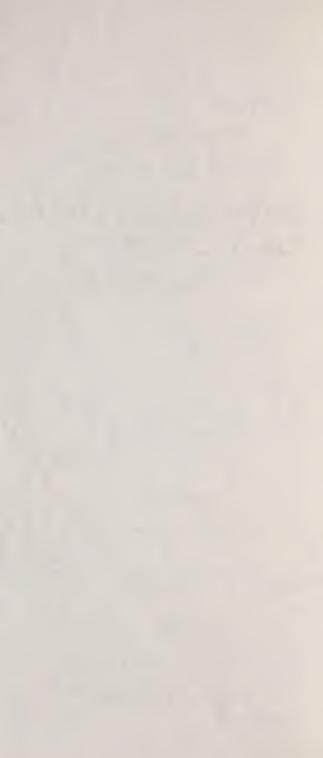


Agricultural Marketing Service Federal Extension Service

U. S. DEPARTMENT OF AGRICULTURE

Washington, D. C.

December 1958



THE FEDERAL AND STATE AGRICUL-TURAL OUTLOOK SERVICE

Outlook is agriculture's economic intelligence service. Together with crop and livestock reports and market news it provides a continuing flow of information on the situation in agriculture and the most probable developments in the future.

Outlook is designed primarily to help farmers do a better job of planning their production and marketing. Businessmen who sell goods or services to farmers or handle agricultural products after they leave the farm are relying increasingly on the Outlook Service. Outlook information is essential to Government officials who are administering farm programs. Outlook also aids farm organizations, the Congress, and others in analyzing the economic effects of existing or proposed farm programs.

The Agricultural Outlook Service is carried on at both national and State levels. The national materials are developed in Washington by a staff of trained economists and statisticians. This information is released through the year in a series of regularly published "Situation" reports. Outlook programs in the States are carried on by the Agricultural Extension Services in the land-grant colleges and universities (often in cooperation with the experiment stations) who use the national materials for background.

The Need For Facts



The farmer operated in the dark over much of our history. He had little reliable information about the agricultural conditions and markets beyond his own neighborhood. He almost always knew less about supplies of crops and livestock than the people and firms who bought his products. For many years, dependable information was simply not available. This put the farmer at a considerable disadvantage in the market place.

The first Federal effort to meet the need for facts came in 1839 when the U. S. Patent Office was authorized to spend \$1,000 for the collection of agricultural statistics and the distribution of seeds. But not until the U. S. Department of Agriculture was created in 1862 was the collection of statistics undertaken on

an important scale.

Stimulated by the needs of the Civil War, the work expanded rapidly. Since 1867, a continuous series of agricultural estimates of acreage, yield, and production of major crops and numbers of major species of livestock have been available. Over the years, crop and livestock reporting has evolved into the comprehensive Federal-State system we have today.

Production statistics supply only part of the farmer's need for economic facts. He also must

have a great deal of information about the dayby-day conditions in the market if he is to do the best job of selling his products. This need led to the creation of the Federal Market News Service in 1913.

The Market News Service, conducted cooperatively with the States, is now a nationwide network from which flows a steady stream of reports on prices, market movements, stocks, quality, and other information about the operations of the Nation's farm markets.

How Outlook Began

Outlook begins where fact collecting leaves off.

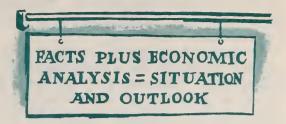
Facts are essential for understanding the economic situation of farmers. But facts alone are not enough. They must be interpreted, analyzed, related before they have meaning.

The individual farmer has neither the time nor the resources to do a good job in the highly technical field of economic analysis and forecasting. Until the Outlook Service was developed he had to depend on private sources for this information. Such services often were too expensive for the farmer and he had no assurance that they were reliable.

Gradually, demand developed for the Department of Agriculture to provide farmers interpretations and economic forecasts as well as facts. Before 1920 the Department began issuing outlook materials which interpreted agricultural statistics to a greater extent than the crop and livestock reports.

Demand for this type of information increased greatly during the agricultural depression following World War I. In 1923, the Department called together a group of nationally known economists for an Agricultural Outlook Conference. The conference report not only analyzed the economic situation of the Nation's

agriculture, but forecast probable economic conditions for the coming year.



This was the the first organized effort to supply outlook information to farmers to help them adjust their farming operations to changing economic conditions.

A National Agricultural Outlook Conference has been held in Washington each year since 1923. The meeting brings economists of the land-grant colleges and universities in the 49 States, and in Hawaii, and Puerto Rico, together with those of the Department of Agriculture, other departments of the Government, and nongovernmental organizations.

The Outlook Conference, held each fall, is a comprehensive discussion of the coming year's national outlook program. At the conference, the economic situation, and the outlook for farmers as a group and for each of the major farm commodities is thoroughly analyzed. The State Agricultural Extension Services use this information as the basis for State and local programs of economic education. Some States hold outlook conferences of their own.

The Year-Round Program

Outlook, begun as an annual affair, is now a year-round activity, both in Washington and in the States. The Agricultural Extension Services in most States employ agricultural economists who devote full time, or a major portion of their time, to outlook work. Using

national materials as background, they maintain a continuing analysis of conditions in their States.



Core of the national outlook program is a series of regularly published Situation reports covering the farm commodities, demand for farm products, food consumption, farm income, costs, finances, marketing, and the farm real estate market. These reports are designed to provide a continuous appraisal and reappraisal of agriculture's economic prospects. (See pages 9–12 for a complete list of Situation reports.)

Key report in this series is the Demand and Price Situation. This report analyzes the farm supply situation and the impact of changing economic conditions in the Nation and in world markets on the overall demand for the products of United States farmers. The analysis draws not only on the statistics collected by the Department of Agriculture, but also on those from the Department of Labor, Department of Commerce, and other agencies, private and governmental. The conclusions of the Demand and Price Situation provide the overall framework for analyzing the outlook for the individual farm products.

The bulk of the Situation reports are prepared in the Agricultural Economics Division of the Agricultural Marketing Service. One originates in the Marketing Research Division of AMS, three in the Farm Economics Research Service, and two in the Food and Materials Requirements Division of the Commod-

ity Stabilization Service. A Situation report dealing with foreign agriculture and trade is prepared by the Foreign Agricultural Service.

Economic Forecasts



Situation reports typically include a thorough analysis of the current situation, together with appraisal of most probable future trends. The assumptions on which forecasts rest are clearly stated or implied. Most outlook statements look ahead a year or less. From time to time, however, the Department takes a longer look into the future—5, 10, or even 25 years. These long-term projections usually are presented in special publications.

The forecasts are made to let other people know what the experts in the Department think the facts indicate. Basically, however, outlook is not forecasting; rather it is arranging and assisting in analyzing facts so each individual is in a position to make his own informed judgment.

All statements about the future are, of course, statements of probabilities or most likely alternatives. The chances of accuracy are greatly increased if they rest on the solid facts of the past and present, and a thorough knowledge of trends.

The Outlook and Situation Board

Just above the first page of text of most of the Situation reports issued by the U. S. Department of Agriculture is a line which reads: "Approved by the Outlook and Situation Board, (date)."



The Board is a means of drawing upon talents of the Department's many specialists. Its function is to assure the highest possible degree of technical accuracy for the Department's situation and outlook reports.

The Outlook and Situation Board has a permanent chairman and a secretary and panels of experts drawn from agencies of the Department of Agriculture having an interest in the subject of the report. The panel for any one

report ranges from 10 to 15 members.

Take the Wheat Situation as an example. After this report has been prepared by the wheat specialist in the Agricultural Economics Division of the Agricultural Marketing Service, copies are sent to the 15 members of the wheat panel of the Outlook and Situation Board. The panel includes experts from various Divisions of the Agricultural Marketing Service, the Agricultural Research Service, the Commodity Stabilization Service, the Foreign Agricultural Service, and the Federal Extension Service.

Two days later the panel meets and the report is gone over in detail. The review is entirely for technical adequacy. The Outlook and Situation Board has no policy functions. After the meeting the author and the secretary of the

Board make any corrections or revisions agreed upon by the panel. Printed copies of the Wheat Situation are available two working days after the panel meets.

How Outlook Reaches You



The information developed in the national and State outlook programs is relayed in many ways to farmers and others. The Situation reports are the basic means of distributing information on the national outlook, and copies are free on request. Since these reports are written mainly for use by agricultural economists, the mailing lists are not large. But State Agricultural Extension Services make good use of these reports. They add local information, adapt them to local needs, and make their material generally available to farmers and others who are interested in the farm situation and outlook in the State.

For general use of those who want a brief, readable summary of the highlights of the National outlook, the Agricultural Outlook Digest is a two-page leaflet published monthly. Agricultural Outlook Charts, issued annually at the time of the Outlook Conference, presents outlook information in charts, with a minimum of text. Special research reports on studies into the more complex problems also are issued from time to time.

In the States, local farmer meetings, press releases and other printed materials, movies, radio and television programs are used to tell the story of the situation and outlook. Many requests for outlook information come from the general public by letter, telephone, or personal visit.

Probably even greater distribution of outlook results from the use of Situation reports and other publications as source materials. Much of what you read in magazines or newspapers, hear on radio, or view on TV concerning the economic situation of farmers and prospects for the future has drawn on the facts and analyses developed by the Outlook Service.

OUTLO AND STATISTICAL RAPES
FOR FARMERS
MARKET NEWS

In modern day agriculture, economics and statistics have joined with animal husbandry, horticulture, agronomy, chemistry, and the other sciences as indispensable tools of farming. Through outlook, market news, and crop and livestock estimates, the Department of Agriculture, with the cooperation of the States, provides a complete economic and statistical service. Those who utilize this service are likely to do a more profitable and efficient job of producing and marketing.

Situation and Outlook Reports

Situation and Outlook reports issued by different agencies of the Department of Agriculture are listed below, together with a brief description of their contents. These reports are free on request, and mailing lists are maintained unless otherwise noted.

If you are interested in receiving any of these reports, it usually is a good idea to write for a sample copy. If you find the report contains the kind of information you want, you can then ask to be put on the mailing list.

Reports of the Agricultural Marketing Service

For sample copies of any of these reports, write to the Marketing Information Division, Agricultural Marketing Service, U. S. Department of Agriculture, Washington 25, D. C. If you wish your name added to any of the lists, your request should be addressed to Administrative Service Division (ML), Agricultural Marketing Service, U. S. Department of Agriculture, Washington 25, D. C.

The Demand and Price Situation reviews the factors that affect the domestic and foreign demand for farm products including output, employment, income and related factors, and commodity prices. This is followed by a brief review of farm income and discussion of general trends in demand, supply, and prices of major

farm products. Issued monthly.

Commodity Situation Reports. The following commodity situation reports analyze the supply, demand, price, and outlook for each of the more important farm products for which adequate information is available. This information is provided as an aid in planning production and marketing. Tables and charts present current figures on acreage, yield, production, market movement, stocks, consumption, and prices, with comparisons with other significant periods. From time to time the re-

results of special studies relating to the respective commodities are included.

The Cotton Situation. Six times a year.

The Dairy Situation. Six times a year.

The Fats and Oils Situation. Six times a year.

The Feed Situation. Six times a year.

The Fruit Situation. Four times a year.

The Livestock and Meat Situation. Seven times a year.

The Poultry and Egg Situation. Six times a year.

a year.

The Rice Situation. Annual.

The Sugar Situation. Annual.

The Tobacco Situation. Four times a year.

The Vegetable Situation. Four times a year.

The Wheat Situation. Five times a year.

The Wool Situation. Four times a year.

The Situation reports listed here carry current outlook materials and an annual statement—published at the time of year when the farmer can make use of such data in preparing his production and marketing plans for the coming year.

The Farm Income Situation presents estimates of cash receipts from farm marketings, by commodity groups, and Government payments; index numbers of cash receipts and of physical volume of farm marketings for several preceding months; and estimates, by States, of cash receipts from sales of crops and livestock. During the year, annual State estimates are included. These show Government payments to farmers, value of home consumption for crops and livestock, gross and net income of farm operators; cash receipts and home consumption by detailed commodities; and cash receipts from farm marketings by States, by major individual commodities. Issued five times a year.

The Marketing and Transportation Situation contains statistics on the U.S. average retail cost of a market basket of farm foods, the pay-

ment received by farmers for these products and the spread between the retail cost and farm value or payment to the farmer. Similar data are given for seven groups of products and 45 individual food products, and also for a group of cotton clothing articles and housefurnishings and the principal tobacco products. Special articles concerning marketing and transportation of farm products are included. Issued four times a year.

The National Food Situation contains statistics on per capita consumption of major foods, nutrients available for civilian consumption, production of major food commodities, and retail food prices and total consumer price index numbers. Reviews of supply, production, marketing, retail prices, and consumption of major foods are included. Issued four times a year.

The Agricultural Outlook Digest is a two-page digest of current indications as to the outlook for production, farm employment, demand, exports, prices received by farmers, prices paid by farmers, and the outlook for various farm commodities.

Agricultural Outlook Charts, prepared in cooperation with the Agricultural Research Service, contains charts and maps with accompanying data and text that are likely to be especially useful to Extension workers and others in presenting the key factors in the economic situation and outlook for agriculture. The chartbook is issued each fall. (No mailing list is maintained.)

Reports of the Agricultural Research Service

Copies of the following three reports can be obtained by writing to: Correspondence and Publications Distribution, Agricultural Re-

search Service, U. S. Department of Agriculture, Washington 25, D. C.

The Farm Cost Situation reviews the cost rate and supply situation for farm labor, farm power and machinery, feeds, livestock on feed or to be fed, seeds, fertilizer, building materials, containers and supplies, pesticides, land values and rentals, interest, taxes and insurance, and costs on farms of different types. Tables showing index numbers are included for goods and services used in production; prices and wage rates paid by farmers; farm power and machinery; feed supplies in relation to livestock; retail seed prices; farm real estate; and in some issues, net income and total production and operating expense per dollar of gross farm income for family-operated farms, by type. The outlook for farm costs in the year ahead is analyzed in the fall issue. More attention is given to the effects of changing technology on farm costs in the spring issue. Issued twice a

Current Developments in the Farm Real Estate Market summarizes significant facts on trends in farmland values, volume of sales, financing farm purchases, and influences that affect the land market. Index numbers of estimated average value per acre, by States, and type of farming region are included in each issue. Graphic material is included occasionally. Data are presented periodically on numbers of transfers and types of demand for farm land. Issued three time a year.

The Agricultural Finance Outlook includes information concerning the farm income, the financial condition of farmers, farm real estate, farm debts, farm financial assets, farm taxes, insurance, and the regional financial situation and outlook. Issued each fall.

Reports of the Commodity Stabilization Service

Copies of the following two reports can be obtained from: Food and Materials Requirements Division, Commodity Stabilization Service, U. S. Department of Agriculture, Washington 25, D. C.

The Fertilizer Situation contains estimates of the net domestic supply of the plant nutrients, fertilizer nitrogen, phosphate and potash. Trends in plant capacity, imports and exports are discussed. Issued annually.

The Pesticide Situation summarizes available statistical information regarding the supply and requirements of pesticides. Estimates of domestic disappearance and consumption for the principal insecticides, fungicides and weed killers are presented. Issued annually.

Reports of the Foreign Agricultural Service

The following report is available on request from: Information Division, Foreign Agricultural Service, U. S. Department of Agriculture, Washington 25, D. C. (No mailing list is maintained.)

The World Agricultural Situation reports world production and trade in agricultural products, with emphasis on those products in which the United States has special interest. The report is organized by geographic areas. It covers production, prices, consumption, supplies, and trade. Issued annually.

State Outlook Materials

A variety of materials on outlook and situation is available from the State Agricultural Extension Services. You can find out what is available in your State by writing the Director of Extension of your State college of agriculture or your county agricultural agent.